

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF SOUTH CAROLINA  
ANDERSON DIVISION

STEADFAST INSURANCE COMPANY  
as assignee and subrogee of  
GILBANE BUILDING COMPANY

Plaintiff,  
v.

RELIABLE CONSTRUCTION  
SOLUTIONS, LLC

Defendant.

CIVIL ACTION NO: 8:14-00649-BHH

**Order for Default Judgment**

The civil action came before the Court on the motion of the Plaintiff Steadfast Insurance Company as assignee and subrogee of Gilbane Building Company (“Steadfast”) pursuant to Fed. R. Civ. P. 55(b)(2) for a default judgment against Defendant Reliable Construction Solutions, LLC (“Reliable Construction”). (ECF No. 10.) The Court conducted a damages hearing on January 26, 2015. John L. McCants, Esq., of Rogers Lewis Jackson Mann and Quinn, LLC appeared on behalf of Steadfast at the hearing. Reliable Construction did not appear at the hearing. Reliable Construction was not entitled to notice of the hearing because it had not appeared personally or by a representative in the civil action. Fed. R. Civ. P. 55(b)(2). Based on the following and filings in the civil action, the Court finds that Steadfast is entitled to a default judgment against Reliable Construction pursuant to Fed. R. Civ. P. 55(b)(2).

The Court issued a Summons in a civil action on March 4, 2014, requiring Reliable Construction to serve on Steadfast an answer to the Complaint or a motion pursuant to Fed. R. Civ. P. 12. (ECF No. 4.) According to the Notice of Filing of Certified Return Receipt

and Certificate of Service, filed on March 13, 2014, Reliable Construction was served by U.S Certified Mail, restricted delivery, return-receipt requested with a copy of the filed Summons and Complaint with Exhibit A via Reliable Construction's registered agent for service in the State of South Carolina. (ECF No. 6.) The registered agent, Mark Williams, of Business Filings International, acknowledged and accepted receipt of the Summons and Complaint with Exhibit A on March 6, 2014. *Id.* More than thirty (30) days, exclusive of the day of service, elapsed since the service, and no answer or motion was filed with the Court or served upon Steadfast or its attorneys, by or on behalf of Reliable Construction. (ECF No. 8.) Accordingly, Reliable Construction was in default. The Clerk of Court filed an Entry of Default as to Reliable Construction on April 4, 2014. (ECF No. 9.)

Having reviewed Plaintiff's Complaint, Answers to Local Rule 26.01 Interrogatories, Request for Entry of Default, Motion for Default Judgment, as well as all supporting and supplemental information provided, the court accepts Plaintiff's well-pled factual allegations as true and makes the following factual findings. See *DIRECTV, Inc. v. Rawlins*, 523 F.3d 318, 322 n.1 (4th Cir. 2009) (accepting plaintiff's allegations against defaulting defendant as true, noting a defaulting defendant "admits the plaintiff's well-pleaded allegations of fact, is concluded on those facts by the judgment, and is barred from contesting on appeal the facts thus established.") (quoting *Ryan v. Homecomings Fin. Network*, 253 F.3D 778, 780 (4th Cir. 2001)).

According to the allegations in the Complaint, Steadfast is an insurance company organized and existing under the laws of Delaware and has its principal place of business in Schaumburg, Illinois. Steadfast has alleged that it is the assignee and subrogee of Gilbane Building Company ("Gilbane"); and Steadfast has alleged it is a bona fide owner of the claims alleged in the Complaint pursuant to an assignment and payments issued under a certain

insurance policy to Gilbane referred to as the Steadfast Subguard Policy of Insurance (“Steadfast Policy”).

Steadfast alleged the following facts in the Complaint. Reliable Construction is a Georgia corporation that subcontracted with Gilbane, a general contracting firm, headquartered in Providence, Rhode Island, to perform work on the construction of the new Easley High School Project in Easley, SC (“Project”).<sup>1</sup> The subcontract scope of work required Reliable Construction to provide, furnish and install “turnkey” masonry services for the construction of the Project. In March 2011, Gilbane started to notice that Reliable Construction was struggling financially and in the performance of the work; and Gilbane was notified of the lack of payment to several subcontractors and vendors.

On March 4, 2011, Gilbane sent a 48 Hour Notice to Reliable Construction for Reliable Construction’s failure to maintain adequate materials and manpower per the subcontract and for Reliable Construction’s non-payment of vendors and subcontractors. Gilbane issued a formal Notice of Termination on April 5, 2011. As a result of Reliable Construction’s default, much of Reliable Construction’s work was incomplete; and Gilbane sustained damages in the amount of at least \$1,559,454.00 to complete the work. Steadfast stated that pursuant to the Steadfast Policy, Steadfast issued payments and a return of premium credit, in the total amount of at least \$1,559,454.00, to Gilbane for the costs to complete the work.

Prior to and for the hearing on the Motion for Default Judgment, Steadfast filed the Affidavit of Derek Fennell, who is the construction claims manager for Steadfast, and the Affidavit of Joshua Billings, who is the CRIS Director of Wrap-Ups and Claims for Gilbane. (ECF No. 14.) The Affidavits include supporting documentation of the claim. The Affidavits

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<sup>1</sup> The Court has jurisdiction pursuant to 28 U.S.C. §1332 because the civil action is between citizens of different states and the amount in controversy is in excess of \$75,000.00 exclusive of costs and interest.

attest to and demonstrate that Steadfast paid Gilbane \$1,301,555.00 in cash and issued a return of premium that was a credit to Gilbane in the amount of \$257,899.82 for a total loss or a claim of \$1,559,454.82 against Reliable Construction. The Court finds that Steadfast is entitled to a default judgment against Reliable Construction for the sum of \$1,559,454.82, plus post-judgment interest, against Reliable Construction. Accordingly,

IT IS ORDERED THAT Steadfast Insurance as assignee and subrogee of Gilbane Building Company has a default judgment against Defendant Reliable Construction Solutions, LLC, in the amount of \$1,559,454.82 together with interest to accrue from the date of the judgment forward to the extent provided for and permitted by applicable law.

AND IT IS SO ORDERED.

/s/Bruce Howe Hendricks  
United States District Judge

January 27, 2015  
Greenville, South Carolina